Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 NEA-14 ISO-00 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEAE-00 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 DRC-01

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R 261325Z JUN 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 7677

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CAIRO

AMCONSUL DHAHRAN

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

CONFIDENTIAL JIDDA 3676

E.O. 11652: GDS TAGS: ENRG, SA

SUBJECT: SAG/ARAMCO NEGOTIATIONS

1. AMCONSUL DHAHRAN AND OUR SOURCES CONFIRM THAT A PARENT COMPANIES STUDY GROUP IS NOW IN RIYADH DISCUSSING TERMS FOR IMPLEMENTING 60-40 AGREEMENT. NEGOTIATIONS ARE WITH GOVERNOR ABDUL HADY TAHER (AND PROBABLY PRINCE CONFIDENTIAL CONFIDENTIAL

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SA'UD). NEGOTIATIONS ARE EXPECTED TO CONTINUE INTO JULY AND MAY HAVE TO BE RESUMED AFTER THE OAPEC

MEETING IN CAIRO ON JUNE 12.

- 2. IT IS INTERESTING THAT TWO HIGH-LEVEL ARAMCO SOURCES CLAIM THAT 100 PERCENT, RPT 100 PERCENT, PARTICIPATION AGREEMENT IS EXPECTED BY AUTUMN. COMPENSATION MAY BE RELATED TO ANNUAL PROFITS AND FIGURE OF ONE AND A HALF TIMES ANNUAL PROFIT HAS BEEN MENTIONED.
- 3. AMCONSUL REPORTS MIXED FEELINGS AMONG ARAMCO AMERICANS WITH SOME EXPECTATION SAG-DOMINATED COMPANY WILL INCREASE AMERICAN SALARIES AND BENEFITS ABOVE LEVEL PARENT COMPANIES HAVE PERMITTED ARAMCO TO PAY. IN VIEW OF LOW SALARIES IN PETROMIN WE ARE LESS HOPEFUL THAN ARAMCO ON THIS SCORE. AKINS

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Message Attributes

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TAGS: ENRG, SA, ARAMCO

To: STATE

Type: TE

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